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ANNUAL AUDITED REPORT
FORM X-170
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/08 AND ENDING 12/31/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: C.E. Pfeifer & Company, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

5048 Fifth Avenue #204

(No. and Street)

Pittsburgh

(City)

PA

(State)

15232

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

C.E. Pfeifer

412-622-1851

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Michael K. Daniels, LLC

(Name - if individual, state last, first, middle name)

934 Western Avenue Pittsburgh

(Address)

(City)

PA

(State)

15233

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

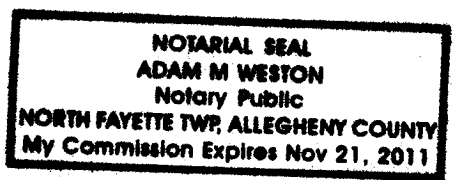
I, C.E. Pfeifer, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of C.E. Pfeifer & Company, Inc., as of December 31, 20 08, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

C.E. Pfeifer
Signature

President
Title

[Signature]
Notary Public

2/24/2009



This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent Auditors Report on Internal Accounting Control

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

C. E. PFEIFER & CO., INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2008

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Michalik & Daniels, LLC

Certified Public Accountants

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Independent Auditors' Report

The Board of Directors
C.E. Pfeifer & Co., Inc.

We have audited the accompanying statement of financial condition of C.E. Pfeifer & Co., Inc. as of December 31, 2008, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of C.E. Pfeifer & Co., Inc. as of December 31, 2008, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements, taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Security and Exchange Commission. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Michalik & Daniels, LLC

February 23, 2009
Pittsburgh, Pennsylvania

C.E. PFEIFER & CO., INC.

STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2008

Assets

Current Assets

Cash	\$	5,786
Clearing account		<u>1,431</u>

Total Assets	\$	<u><u>7,217</u></u>
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Liabilities and Stockholder's Equity

Liabilities

Accounts payable	\$	262
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Stockholder's Equity

Retained Earnings	(45)
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Capital Stock – no par value; 10,000 shares authorized 100 shares issued and outstanding	<u>7,000</u>
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Total Stockholder's Equity	<u><u>6,955</u></u>
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Total Liabilities and Stockholder's Equity	\$ <u><u>7,217</u></u>
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The accompanying report and notes to financial statements are
integral parts of these financial statements.

C.E. PFEIFER & CO., INC.

**STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2008**

Income

Commissions – real estate	\$ 28,636
Consulting and investment services	18,000
Interest income	34
Advisory fees	<u>116</u>
	46,786

Expenses

Commissions	24,827
Travel and entertainment	20
Legal and professional fees	7,058
Payroll and payroll taxes	14,492
Office supplies	215
Miscellaneous	<u>255</u>
	46,867

Net Income (Loss) \$ (81)

The accompanying report and notes to financial statements are
integral parts of these financial statements.

C.E. PFEIFER & CO., INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities:

Net Income (Loss)		\$	(81)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Change in assets and liabilities:			
Decrease in clearing account	\$	1,398	
Decrease in accounts payable		<u>(432)</u>	
Total Adjustments			<u>966</u>
Net Cash Provided by Operating Activities			885
Net Decrease in Cash and Cash Equivalents			885
Cash and Cash Equivalents at Beginning of Year			<u>4,901</u>
Cash and Cash Equivalents at End of Year		\$	<u>5,786</u>

The accompanying report and notes to financial statements are
integral parts of these financial statements.

C.E. PFEIFER & CO., INC.

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
DECEMBER 31, 2008

	<u>Common Stock</u>	<u>Retained Earnings</u>
Balances at January 1, 2008	\$ 7,000	\$ 36
Net Income for the year	--	(81)
Contribution from stockholder	--	--
Distributions to stockholder	<u>--</u>	<u>--</u>
Balances at December 31, 2008	\$ <u>7,000</u>	\$ <u>(45)</u>

The accompanying report and notes to financial statements are
integral parts of these financial statements.

C.E. PFEIFER & CO., INC.

NOTES TO FINANCIAL STATEMENT YEAR ENDED DECEMBER 31, 2008

Significant Accounting Policies

The Company provides broker-dealer and investment advisory services. Revenue from investment advisory services is recognized when rendered and related expenses are recorded when incurred. Commission income and expense from customers' security transactions on introduced accounts are recorded on a settlement date basis. Fees for services rendered in the private placement of securities are recognized when earned as specified in the contractual placement agent agreement.

Income Taxes

The Company and its stockholder have revoked its election, under Section 1362 of the Internal Revenue Code, to be treated as a subchapter "S Corporation" effective January 1, 2007. As such, the taxable income (loss) of the company is taxed as a "C Corporation". Because of the net loss in 2008, no provision has been made for income taxes on the accompanying financial statements.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, accordingly, actual results could differ from those estimates.

Exemption from the Computation of Reserve Requirements Pursuant to Rule 15c3-3

The Company claims exemption from the computation required by SEC Rule 15c3-3 by reason of paragraph (k)(2)(ii) of Rule 15c3-3. The Company is classified as a limited business.

C.E. PFEIFER & CO., INC.

COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET CAPITAL
SCHEDULE I
DECEMBER 31, 2008

Aggregate Indebtedness:

Total money liabilities	\$ <u>262</u>
Total aggregate indebtedness	<u>262</u>

Net Capital:

Common Stock	\$ 7,000	
Non-allowable assets	0	
Retained Earnings	<u>(45)</u>	
Total available capital		<u>6,955</u>
Net capital before haircuts on securities position		6,955

Haircuts on securities (computed, where applicable, pursuant to rule 15C3-1(f))- equity securities	<u>-0-</u>
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Net Capital	\$ <u>6,955</u>
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Capital Requirements:

6 2/3 of aggregate indebtedness	17	
Minimum dollar capital requirement	5,000	
Net capital requirement		\$ 5,000
Net capital in excess of requirements		<u>1,955</u>
Net capital as above		\$ <u>6,955</u>
Ratio of aggregate indebtedness to net capital		<u>3.76%</u>

C.E. PFEIFER & CO., INC.

RECONCILIATION OF NET CAPITAL COMPUTATION TO
DECEMBER 31, 2008 FOCUS REPORT – SCHEDULE II
DECEMBER 31, 2008

	<u>Audit Report</u>	<u>Focus Report</u>
Total Ownership Equity	\$ 6,955	\$ 6,955
Less:		
Total non-allowable assets	-0-	-0-
Haircuts on securities	<u>-0-</u>	<u>-0-</u>
Net Capital	6,955	6,955
Net Capital Requirement	<u>5,000</u>	<u>5,000</u>
Excess Net Capital	\$ <u>1,955</u>	\$ <u>1,955</u>

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Independent Auditors' Report on Internal Accounting Control Required by SEC Rule 17a-5

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Board of Directors
C.E. Pfeifer & Co., Inc.

In planning and performing our audit of the financial statements of C.E. Pfeifer & Co., Inc. (the "Company") for the year ended December 31, 2008, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purposes of expressing our opinion of the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practice and procedures) followed by C.E. Pfeifer & Co., Inc., that we considered relevant to the objectives stated in rule 17a-5(g)(1), in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provision of rule 15c3-3.

We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by rule 17a-13 or in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in accordance with generally accepted accounting principles.

Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structures of the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that their effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not be necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure including procedures for safeguarding securities, that we consider a material weakness as defined above.

We understand that the practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulation, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2008 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies which rely on Rule 17a5(g) under the Securities Exchange Act of 1934 in regulation of registered brokers and dealers, and should not be used for any other purpose.

Michalik & Daniels, LLC

February 23, 2008
Pittsburgh, Pennsylvania